



# Australian Bureau of Statistics

DECEMBER QUARTER 2010

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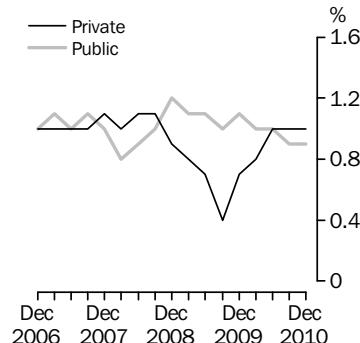
## LABOUR PRICE INDEX

AUSTRALIA

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### WPI—Quarterly changes: Trend(a)

Total hourly rates of pay excluding bonuses

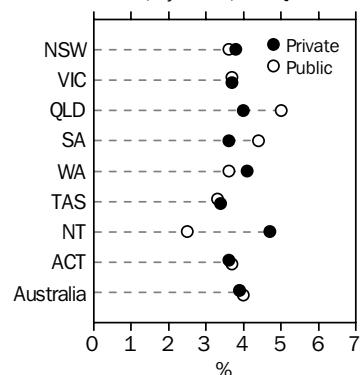


(a) See Explanatory Notes paras 46-47, 50

### WPI—Annual change: original

Total hourly rates of pay excluding bonuses

States/Territories, by sector, Dec Qtr 2010



## INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Kathryn Parlor on Perth (08) 9360 5151.

## KEY FIGURES

	Sep Qtr 2010 to Dec Qtr 2010 % change	Dec Qtr 2009 to Dec Qtr 2010 % change
<b>Wage Price Index (WPI)</b>		
<b>Total hourly rates of pay excluding bonuses</b>		
<b>Trend(a)</b>		
Australia	0.9	3.8
<b>Sector</b>		
Private	1.0	3.8
Public	0.9	3.9
<b>Original</b>		
Australia	0.9	3.8
<b>Sector</b>		
Private	0.9	3.9
Public	0.9	3.9

(a) See Explanatory Notes paras 46-47, 50.

## KEY POINTS

### TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES

#### QUARTERLY CHANGE (SEP QTR 2010 TO DEC QTR 2010)

- The index for all employee jobs in Australia increased by 0.9%, in trend terms.
- The increase in indexes (in original terms) at the industry level ranged from 0.3% for Accommodation and food services to 1.5% for Electricity, gas, water and waste services.

#### ANNUAL CHANGE (DEC QTR 2009 TO DEC QTR 2010)

- The increase in the trend index through the year to December quarter 2010 for all employee jobs in Australia was 3.8%.
- Increases in the original indexes though the year to the December quarter 2010 at the industry level ranged from 2.9% for Transport, postal and warehousing to 4.7% for Electricity, gas, water and waste services.

## NOTES

Trevor Sutton  
Acting Australian Statistician

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## COMMENTARY

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### WAGE PRICE INDEXES

#### *Australia/Sector (trend)*

In the December quarter 2010, the Private sector wage price index rose by 1.0%, compared to 0.9% for the Public sector, with the All sectors wage price index recording a quarterly movement of 0.9%. This is the second successive quarter in which the Private sector quarterly movement has been greater than that for the Public sector.

While the Public sector movement for the year through to the December quarter 2010 (3.9%) remains above that of the Private sector (3.8%), the gap between the two series has further reduced this quarter.

#### *State/Territory (original)*

The highest quarterly movement was recorded by South Australia (1.1%) and the lowest quarterly movement by New South Wales (0.7%). Through the year increases ranged from 3.3% for Tasmania up to 4.2% for Queensland.

In the Private sector, all states and territories recorded equal or higher quarterly growth in the December quarter 2010 than in the December quarter 2009. The highest quarterly increase in the Private sector in the December quarter 2010 was recorded by the Northern Territory (1.4%) and the lowest was recorded by both New South Wales and Tasmania (0.8%).

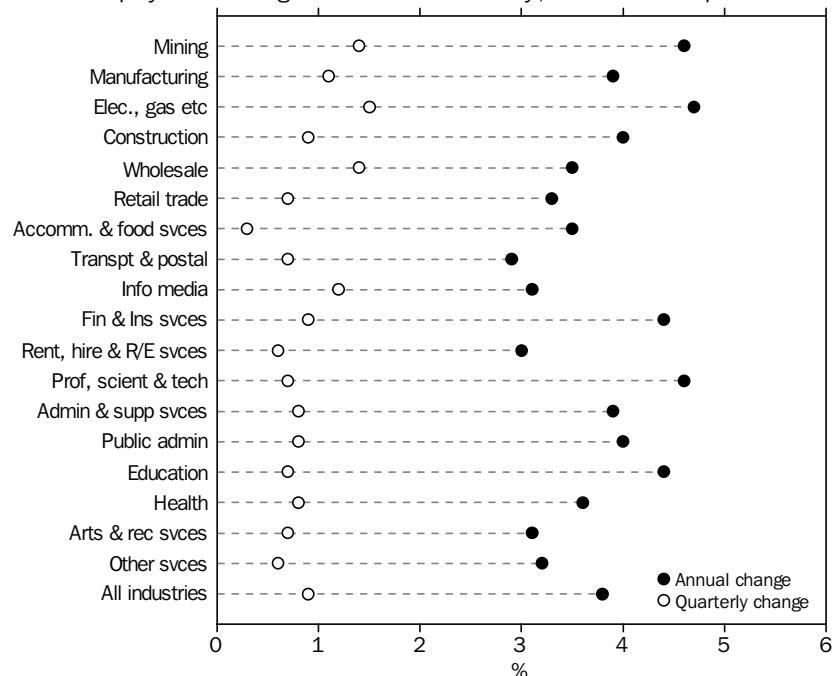
Through the year movements in the Private sector in all states and territories were higher in the December quarter 2010 than in the September quarter 2010. The Northern Territory (4.7%) recorded the highest Private sector through the year movement of all states and territories in the December quarter 2010 and Tasmania (3.4%) recorded the lowest.

Victoria, South Australia and Western Australia were the only states or territories in which the Public sector quarterly movement for the December quarter 2010 was greater than that for the Private sector. In the Public sector, South Australia (1.7%) recorded the highest quarterly movement of all states and territories in the December quarter 2010 and Queensland (5.0%) recorded the highest through the year movement. New South Wales (0.3%) recorded the lowest quarterly movement and the Northern Territory (2.5%) recorded the lowest through the year movement.

## COMMENTARY *continued*

### Industry (original)

WPI—ANNUAL AND QUARTERLY CHANGES: ORIGINAL, Total hourly rates of pay excluding bonuses—Industry, December quarter 2010



In the December quarter 2010, the highest All sectors quarterly movement was recorded by Electricity, gas, water and waste services (1.5%) and the lowest quarterly movement was recorded by Accommodation and food services (0.3%). Increases through the year ranged from 2.9% for Transport, postal and warehousing to 4.7% for Electricity, gas, water and waste services.

In the Private sector, Arts and recreational services (2.8%) recorded the lowest through the year movement to the December quarter 2010.

In the Public sector, Professional, scientific and technical services (0.5%) recorded the lowest quarterly movement. Through the year to the December quarter 2010, Electricity, gas, water and waste services and Professional, scientific and technical services (5.4%) recorded the highest movement. The lowest through the year movement was recorded by Health care and social assistance (3.1%).

Period	ORIGINAL			SEASONALLY ADJUSTED(a)			TREND(b)		
	Private	Public	All Sectors	Private	Public	All Sectors	Private	Public	All Sectors
INDEX NUMBERS (c)									
<b>2007</b>									
December	95.7	95.7	95.7	95.6	95.6	95.6	95.6	95.6	95.6
<b>2008</b>									
March	96.6	96.5	96.6	96.6	96.3	96.5	96.6	96.4	96.6
June	97.6	97.0	97.5	97.8	97.3	97.7	97.7	97.3	97.6
September	98.7	98.3	98.6	98.7	98.2	98.6	98.8	98.3	98.7
December	99.8	99.7	99.8	99.7	99.6	99.7	99.7	99.5	99.6
<b>2009</b>									
March	100.5	100.7	100.5	100.5	100.6	100.6	100.5	100.6	100.5
June	101.0	101.4	101.1	101.2	101.7	101.4	101.2	101.7	101.4
September	101.8	102.8	102.0	101.6	102.7	101.9	101.6	102.7	101.8
December	102.3	103.8	102.7	102.3	103.7	102.6	102.3	103.8	102.6
<b>2010</b>									
March	103.1	105.0	103.6	103.2	104.8	103.6	103.1	104.8	103.5
June	103.8	105.4	104.2	104.0	105.8	104.4	104.1	105.8	104.5
September	105.4	106.9	105.7	105.2	106.8	105.5	105.1	106.8	105.5
December	106.3	107.9	106.6	106.2	107.8	106.6	106.2	107.8	106.5
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2008</b>									
December	4.3	4.2	4.3	4.3	4.2	4.3	4.3	4.1	4.2
<b>2009</b>									
March	4.0	4.4	4.0	4.0	4.5	4.2	4.0	4.4	4.0
June	3.5	4.5	3.7	3.5	4.5	3.8	3.6	4.5	3.9
September	3.1	4.6	3.4	2.9	4.6	3.3	2.8	4.5	3.1
December	2.5	4.1	2.9	2.6	4.1	2.9	2.6	4.3	3.0
<b>2010</b>									
March	2.6	4.3	3.1	2.7	4.2	3.0	2.6	4.2	3.0
June	2.8	3.9	3.1	2.8	4.0	3.0	2.9	4.0	3.1
September	3.5	4.0	3.6	3.5	4.0	3.5	3.4	4.0	3.6
December	3.9	3.9	3.8	3.8	4.0	3.9	3.8	3.9	3.8
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2008</b>									
December	1.1	1.4	1.2	1.0	1.4	1.1	0.9	1.2	0.9
<b>2009</b>									
March	0.7	1.0	0.7	0.8	1.0	0.9	0.8	1.1	0.9
June	0.5	0.7	0.6	0.7	1.1	0.8	0.7	1.1	0.9
September	0.8	1.4	0.9	0.4	1.0	0.5	0.4	1.0	0.4
December	0.5	1.0	0.7	0.7	1.0	0.7	0.7	1.1	0.8
<b>2010</b>									
March	0.8	1.2	0.9	0.9	1.1	1.0	0.8	1.0	0.9
June	0.7	0.4	0.6	0.8	1.0	0.8	1.0	1.0	1.0
September	1.5	1.4	1.4	1.2	0.9	1.1	1.0	0.9	1.0
December	0.9	0.9	0.9	1.0	0.9	1.0	1.0	0.9	0.9

(a) See Explanatory notes paragraphs 38–45, 50.

(c) Reference base of each index: 2008–09 = 100.0.

(b) See Explanatory notes paragraphs 46–47, 50.

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
INDEX NUMBERS (a)									
<b>2006-07</b>	92.8	92.6	92.1	91.9	89.9	92.4	92.1	92.4	<b>92.3</b>
<b>2007-08</b>	96.4	96.2	96.0	96.2	95.1	95.9	95.7	96.3	<b>96.2</b>
<b>2008-09</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>
<b>2009-10</b>	103.2	102.8	103.3	102.8	103.4	103.8	103.4	103.5	<b>103.1</b>
<b>2007</b>									
December	95.9	95.7	95.7	95.9	94.6	95.5	95.1	96.0	<b>95.7</b>
<b>2008</b>									
March	96.8	96.6	96.5	96.8	95.5	96.3	95.9	96.7	<b>96.6</b>
June	97.6	97.6	97.1	97.4	96.8	97.1	97.5	97.3	<b>97.5</b>
September	98.7	98.7	98.6	98.5	98.1	98.5	98.3	98.6	<b>98.6</b>
December	99.7	99.8	99.6	99.9	99.9	99.6	99.7	99.5	<b>99.8</b>
<b>2009</b>									
March	100.5	100.5	100.6	100.6	100.7	100.7	100.8	100.6	<b>100.5</b>
June	101.2	101.0	101.1	101.0	101.3	101.2	101.2	101.3	<b>101.1</b>
September	102.2	101.7	102.1	101.7	102.1	102.6	101.9	102.3	<b>102.0</b>
December	102.6	102.5	102.8	102.3	102.9	103.3	103.1	103.2	<b>102.7</b>
<b>2010</b>									
March	103.6	103.2	103.7	103.2	103.7	104.3	103.9	104.0	<b>103.6</b>
June	104.2	103.7	104.4	103.9	104.7	104.9	104.6	104.3	<b>104.2</b>
September	105.8	105.3	106.1	105.1	106.0	105.9	105.9	106.2	<b>105.7</b>
December	106.5	106.2	107.1	106.3	107.0	106.7	107.0	107.0	<b>106.6</b>
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)									
<b>2007-08</b>	3.9	3.9	4.2	4.7	5.8	3.8	3.9	4.2	<b>4.2</b>
<b>2008-09</b>	3.7	4.0	4.2	4.0	5.2	4.3	4.5	3.8	<b>4.0</b>
<b>2009-10</b>	3.2	2.8	3.3	2.8	3.4	3.8	3.4	3.5	<b>3.1</b>
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2008</b>									
December	4.0	4.3	4.1	4.2	5.6	4.3	4.8	3.6	<b>4.3</b>
<b>2009</b>									
March	3.8	4.0	4.2	3.9	5.4	4.6	5.1	4.0	<b>4.0</b>
June	3.7	3.5	4.1	3.7	4.6	4.2	3.8	4.1	<b>3.7</b>
September	3.5	3.0	3.5	3.2	4.1	4.2	3.7	3.8	<b>3.4</b>
December	2.9	2.7	3.2	2.4	3.0	3.7	3.4	3.7	<b>2.9</b>
<b>2010</b>									
March	3.1	2.7	3.1	2.6	3.0	3.6	3.1	3.4	<b>3.1</b>
June	3.0	2.7	3.3	2.9	3.4	3.7	3.4	3.0	<b>3.1</b>
September	3.5	3.5	3.9	3.3	3.8	3.2	3.9	3.8	<b>3.6</b>
December	3.8	3.6	4.2	3.9	4.0	3.3	3.8	3.7	<b>3.8</b>
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2008</b>									
December	1.0	1.1	1.0	1.4	1.8	1.1	1.4	0.9	<b>1.2</b>
<b>2009</b>									
March	0.8	0.7	1.0	0.7	0.8	1.1	1.1	1.1	<b>0.7</b>
June	0.7	0.5	0.5	0.4	0.6	0.5	0.4	0.7	<b>0.6</b>
September	1.0	0.7	1.0	0.7	0.8	1.4	0.7	1.0	<b>0.9</b>
December	0.4	0.8	0.7	0.6	0.8	0.7	1.2	0.9	<b>0.7</b>
<b>2010</b>									
March	1.0	0.7	0.9	0.9	0.8	1.0	0.8	0.8	<b>0.9</b>
June	0.6	0.5	0.7	0.7	1.0	0.6	0.7	0.3	<b>0.6</b>
September	1.5	1.5	1.6	1.2	1.2	1.0	1.2	1.8	<b>1.4</b>
December	0.7	0.9	0.9	1.1	0.9	0.8	1.0	0.8	<b>0.9</b>

(a) Reference base of each index: 2008-09 = 100.0.

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
INDEX NUMBERS (a)									
<b>2006-07</b>	92.8	92.6	92.3	92.0	89.6	92.5	90.9	92.5	<b>92.2</b>
<b>2007-08</b>	96.3	96.3	96.0	96.4	95.2	96.0	95.6	96.1	<b>96.2</b>
<b>2008-09</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>
<b>2009-10</b>	102.8	102.5	102.9	102.7	103.0	103.6	102.7	102.6	<b>102.8</b>
<b>2007</b>									
December	95.8	95.8	95.7	96.0	94.7	95.9	95.0	96.0	<b>95.7</b>
<b>2008</b>									
March	96.6	96.8	96.6	96.9	95.6	96.2	95.9	96.6	<b>96.6</b>
June	97.7	97.9	97.3	97.5	97.1	97.1	97.4	97.0	<b>97.6</b>
September	98.9	98.7	98.5	98.6	98.5	98.4	98.4	98.4	<b>98.7</b>
December	99.7	99.9	99.7	99.9	99.9	100.1	99.9	99.6	<b>99.8</b>
<b>2009</b>									
March	100.4	100.4	100.6	100.6	100.6	100.6	100.5	100.7	<b>100.5</b>
June	101.0	101.0	101.2	100.9	101.0	100.9	101.2	101.3	<b>101.0</b>
September	101.8	101.5	102.0	101.6	101.8	102.6	101.7	101.7	<b>101.8</b>
December	102.2	102.3	102.5	102.3	102.4	103.4	102.2	102.3	<b>102.3</b>
<b>2010</b>									
March	103.2	102.9	103.2	103.0	103.3	104.0	103.0	102.9	<b>103.1</b>
June	103.9	103.4	103.9	103.7	104.3	104.5	104.0	103.4	<b>103.8</b>
September	105.3	105.2	105.5	105.1	105.6	106.0	105.5	105.1	<b>105.4</b>
December	106.1	106.1	106.6	106.0	106.6	106.9	107.0	106.0	<b>106.3</b>
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)									
<b>2007-08</b>	3.8	4.0	4.0	4.8	6.3	3.8	5.2	3.9	<b>4.3</b>
<b>2008-09</b>	3.8	3.8	4.2	3.7	5.0	4.2	4.6	4.1	<b>4.0</b>
<b>2009-10</b>	2.8	2.5	2.9	2.7	3.0	3.6	2.7	2.6	<b>2.8</b>
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2008</b>									
December	4.1	4.3	4.2	4.1	5.5	4.4	5.2	3.8	<b>4.3</b>
<b>2009</b>									
March	3.9	3.7	4.1	3.8	5.2	4.6	4.8	4.2	<b>4.0</b>
June	3.4	3.2	4.0	3.5	4.0	3.9	3.9	4.4	<b>3.5</b>
September	2.9	2.8	3.6	3.0	3.4	4.3	3.4	3.4	<b>3.1</b>
December	2.5	2.4	2.8	2.4	2.5	3.3	2.3	2.7	<b>2.5</b>
<b>2010</b>									
March	2.8	2.5	2.6	2.4	2.7	3.4	2.5	2.2	<b>2.6</b>
June	2.9	2.4	2.7	2.8	3.3	3.6	2.8	2.1	<b>2.8</b>
September	3.4	3.6	3.4	3.4	3.7	3.3	3.7	3.3	<b>3.5</b>
December	3.8	3.7	4.0	3.6	4.1	3.4	4.7	3.6	<b>3.9</b>
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2008</b>									
December	0.8	1.2	1.2	1.3	1.4	1.7	1.5	1.2	<b>1.1</b>
<b>2009</b>									
March	0.7	0.5	0.9	0.7	0.7	0.5	0.6	1.1	<b>0.7</b>
June	0.6	0.6	0.6	0.3	0.4	0.3	0.7	0.6	<b>0.5</b>
September	0.8	0.5	0.8	0.7	0.8	1.7	0.5	0.4	<b>0.8</b>
December	0.4	0.8	0.5	0.7	0.6	0.8	0.5	0.6	<b>0.5</b>
<b>2010</b>									
March	1.0	0.6	0.7	0.7	0.9	0.6	0.8	0.6	<b>0.8</b>
June	0.7	0.5	0.7	0.7	1.0	0.5	1.0	0.5	<b>0.7</b>
September	1.3	1.7	1.5	1.4	1.2	1.4	1.4	1.6	<b>1.5</b>
December	0.8	0.9	1.0	0.9	0.9	0.8	1.4	0.9	<b>0.9</b>

(a) Reference base of each index: 2008-09 = 100.0.

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
INDEX NUMBERS (a)									
<b>2006-07</b>	93.0	92.7	91.5	91.8	90.6	92.0	93.7	92.4	<b>92.3</b>
<b>2007-08</b>	96.6	95.6	95.9	95.9	94.6	95.8	95.9	96.3	<b>96.0</b>
<b>2008-09</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>
<b>2009-10</b>	104.5	103.7	104.4	103.4	104.8	104.0	104.4	104.1	<b>104.3</b>
<b>2007</b>									
December	96.1	95.3	95.7	95.8	94.3	94.9	95.3	95.9	<b>95.7</b>
<b>2008</b>									
March	97.3	95.9	96.3	96.9	95.1	96.5	95.8	96.7	<b>96.5</b>
June	97.4	96.6	96.7	97.1	95.9	97.1	97.6	97.4	<b>97.0</b>
September	98.2	98.4	98.8	98.0	97.0	98.6	98.1	98.7	<b>98.3</b>
December	99.7	99.8	99.5	99.7	100.0	98.8	99.6	99.5	<b>99.7</b>
<b>2009</b>									
March	100.7	100.8	100.8	100.9	101.0	100.7	101.0	100.5	<b>100.7</b>
June	101.4	101.0	101.0	101.5	102.1	101.9	101.3	101.2	<b>101.4</b>
September	103.5	102.4	102.4	102.1	103.0	102.7	102.2	102.7	<b>102.8</b>
December	104.0	103.2	103.7	102.6	104.7	103.0	104.4	103.8	<b>103.8</b>
<b>2010</b>									
March	105.2	104.5	105.3	103.9	105.3	104.8	105.4	104.8	<b>105.0</b>
June	105.3	104.7	106.0	104.8	106.3	105.5	105.5	105.0	<b>105.4</b>
September	107.4	105.5	107.9	105.3	107.4	105.8	106.4	106.9	<b>106.9</b>
December	107.7	107.0	108.9	107.1	108.5	106.4	107.0	107.6	<b>107.9</b>
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)									
<b>2007-08</b>	3.9	3.1	4.8	4.5	4.4	4.1	2.3	4.2	<b>4.0</b>
<b>2008-09</b>	3.5	4.6	4.3	4.3	5.7	4.4	4.3	3.8	<b>4.2</b>
<b>2009-10</b>	4.5	3.7	4.4	3.4	4.8	4.0	4.4	4.1	<b>4.3</b>
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2008</b>									
December	3.7	4.7	4.0	4.1	6.0	4.1	4.5	3.8	<b>4.2</b>
<b>2009</b>									
March	3.5	5.1	4.7	4.1	6.2	4.4	5.4	3.9	<b>4.4</b>
June	4.1	4.6	4.4	4.5	6.5	4.9	3.8	3.9	<b>4.5</b>
September	5.4	4.1	3.6	4.2	6.2	4.2	4.2	4.1	<b>4.6</b>
December	4.3	3.4	4.2	2.9	4.7	4.3	4.8	4.3	<b>4.1</b>
<b>2010</b>									
March	4.5	3.7	4.5	3.0	4.3	4.1	4.4	4.3	<b>4.3</b>
June	3.8	3.7	5.0	3.3	4.1	3.5	4.1	3.8	<b>3.9</b>
September	3.8	3.0	5.4	3.1	4.3	3.0	4.1	4.1	<b>4.0</b>
December	3.6	3.7	5.0	4.4	3.6	3.3	2.5	3.7	<b>3.9</b>
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2008</b>									
December	1.5	1.4	0.7	1.7	3.1	0.2	1.5	0.8	<b>1.4</b>
<b>2009</b>									
March	1.0	1.0	1.3	1.2	1.0	1.9	1.4	1.0	<b>1.0</b>
June	0.7	0.2	0.2	0.6	1.1	1.2	0.3	0.7	<b>0.7</b>
September	2.1	1.4	1.4	0.6	0.9	0.8	0.9	1.5	<b>1.4</b>
December	0.5	0.8	1.3	0.5	1.7	0.3	2.2	1.1	<b>1.0</b>
<b>2010</b>									
March	1.2	1.3	1.5	1.3	0.6	1.7	1.0	1.0	<b>1.2</b>
June	0.1	0.2	0.7	0.9	0.9	0.7	0.1	0.2	<b>0.4</b>
September	2.0	0.8	1.8	0.5	1.0	0.3	0.9	1.8	<b>1.4</b>
December	0.3	1.4	0.9	1.7	1.0	0.6	0.6	0.7	<b>0.9</b>

(a) Reference base of each index: 2008-09 = 100.0.

Industry	FINANCIAL YEAR				QUARTER				
	2006–07	2007–08	2008–09	2009–10	Dec Qtr 2009	Mar Qtr 2010	Jun Qtr 2010	Sep Qtr 2010	Dec Qtr 2010
<b>PRIVATE</b>									
Mining	89.5	94.7	100.0	103.6	102.8	104.0	105.5	106.0	107.5
Manufacturing	92.4	96.5	100.0	102.3	101.9	102.4	103.3	104.7	105.9
Electricity, gas, water and waste services	91.7	95.6	100.0	103.6	103.2	104.1	104.8	106.1	107.2
Construction	91.5	95.5	100.0	103.3	102.9	103.4	104.5	105.9	106.8
Wholesale trade	92.7	96.1	100.0	102.3	102.1	102.3	102.9	104.2	105.7
Retail trade	92.2	96.2	100.0	102.7	102.5	103.1	103.6	105.2	105.9
Accommodation and food services	94.4	97.1	100.0	102.3	101.8	102.6	103.0	105.1	105.4
Transport, postal and warehousing	91.8	95.6	100.0	103.8	103.7	104.2	104.4	106.0	106.9
Information media and telecommunications	93.8	97.1	100.0	102.0	101.7	102.2	102.6	103.8	104.9
Financial and insurance services	92.6	96.2	100.0	102.5	101.9	103.1	103.7	105.4	106.4
Rental, hiring and real estate services	92.6	96.7	100.0	102.2	101.8	102.4	102.8	104.2	104.8
Professional, scientific and technical services	90.8	94.9	100.0	103.0	102.3	103.3	104.1	106.1	107.0
Administrative and support services	91.8	96.0	100.0	102.2	101.7	102.4	103.1	104.9	105.8
Public administration and safety	93.1	97.3	100.0	102.6	102.5	103.0	103.0	105.4	106.1
Education and training	91.2	95.3	100.0	104.1	102.8	105.3	105.7	106.6	107.1
Health care and social assistance	92.9	96.6	100.0	103.3	102.7	104.0	104.5	106.2	106.9
Arts and recreation services	92.4	96.3	100.0	102.7	102.6	103.1	103.3	104.8	105.5
Other services	93.2	96.7	100.0	102.4	102.0	103.0	103.2	104.7	105.2
<b>All industries</b>	<b>92.2</b>	<b>96.2</b>	<b>100.0</b>	<b>102.8</b>	<b>102.3</b>	<b>103.1</b>	<b>103.8</b>	<b>105.4</b>	<b>106.3</b>
<b>PUBLIC</b>									
Electricity, gas, water and waste services	92.1	95.8	100.0	104.9	103.9	106.4	106.8	107.6	109.5
Professional, scientific and technical services	93.1	97.1	100.0	104.3	102.8	105.8	106.0	107.9	108.4
Public administration and safety	92.0	95.9	100.0	104.1	103.7	104.8	105.1	107.0	107.9
Education and training	92.4	96.0	100.0	104.0	103.1	105.1	105.6	106.8	107.7
Health care and social assistance	92.7	96.2	100.0	104.9	104.8	105.2	105.8	107.0	108.0
<b>All industries(b)</b>	<b>92.3</b>	<b>96.0</b>	<b>100.0</b>	<b>104.3</b>	<b>103.8</b>	<b>105.0</b>	<b>105.4</b>	<b>106.9</b>	<b>107.9</b>
<b>ALL SECTORS</b>									
Mining	89.5	94.7	100.0	103.6	102.8	104.0	105.5	106.0	107.5
Manufacturing	92.4	96.5	100.0	102.3	101.9	102.4	103.3	104.7	105.9
Electricity, gas, water and waste services	92.0	95.8	100.0	104.4	103.7	105.5	106.0	107.0	108.6
Construction	91.5	95.6	100.0	103.2	102.8	103.4	104.5	105.9	106.9
Wholesale trade	92.7	96.1	100.0	102.3	102.1	102.3	102.9	104.2	105.7
Retail trade	92.3	96.3	100.0	102.7	102.5	103.1	103.6	105.2	105.9
Accommodation and food services	94.4	97.1	100.0	102.3	101.8	102.6	103.0	105.1	105.4
Transport, postal and warehousing	92.0	95.7	100.0	103.8	103.7	104.2	104.4	106.0	106.7
Information media and telecommunications	93.4	97.0	100.0	102.2	101.9	102.3	102.8	103.9	105.1
Financial and insurance services	92.4	96.2	100.0	102.6	102.0	103.2	103.8	105.5	106.5
Rental, hiring and real estate services	92.6	96.7	100.0	102.6	102.2	102.8	103.2	104.7	105.3
Professional, scientific and technical services	91.0	95.1	100.0	103.0	102.3	103.4	104.3	106.3	107.0
Administrative and support services	91.8	96.0	100.0	102.2	101.8	102.5	103.1	105.0	105.8
Public administration and safety	92.1	95.9	100.0	104.0	103.6	104.6	104.9	106.8	107.7
Education and training	92.1	95.8	100.0	104.0	103.0	105.2	105.7	106.7	107.5
Health care and social assistance	92.9	96.4	100.0	104.0	103.7	104.6	105.1	106.6	107.4
Arts and recreation services	92.7	96.4	100.0	103.0	102.8	103.5	103.8	105.3	106.0
Other services	93.2	96.7	100.0	102.4	102.0	103.0	103.2	104.7	105.3
<b>All industries</b>	<b>92.3</b>	<b>96.2</b>	<b>100.0</b>	<b>103.1</b>	<b>102.7</b>	<b>103.6</b>	<b>104.2</b>	<b>105.7</b>	<b>106.6</b>

(a) Reference base of each index: 2008–09 = 100.0.

(b) Includes those industries not separately listed.

Industry	FROM PREVIOUS FINANCIAL YEAR			FROM CORRESPONDING QUARTER OF PREVIOUS YEAR			FROM PREVIOUS QUARTER			
	2007-08	2008-09	2009-10	Dec Qtr	Dec Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr
				2008	2009	2010	2010	2010	2010	2010
PRIVATE										
Mining	5.8	5.6	3.6	6.3	3.5	4.6	1.2	1.4	0.5	1.4
Manufacturing	4.4	3.6	2.3	4.3	2.0	3.9	0.5	0.9	1.4	1.1
Electricity, gas, water and waste services	4.3	4.6	3.6	5.0	3.3	3.9	0.9	0.7	1.2	1.0
Construction	4.4	4.7	3.3	4.6	3.5	3.8	0.5	1.1	1.3	0.8
Wholesale trade	3.7	4.1	2.3	4.3	2.5	3.5	0.2	0.6	1.3	1.4
Retail trade	4.3	4.0	2.7	3.9	2.4	3.3	0.6	0.5	1.5	0.7
Accommodation and food services	2.9	3.0	2.3	2.9	1.9	3.5	0.8	0.4	2.0	0.3
Transport, postal and warehousing	4.1	4.6	3.8	4.8	4.1	3.1	0.5	0.2	1.5	0.8
Information media and telecommunications	3.5	3.0	2.0	3.2	1.8	3.1	0.5	0.4	1.2	1.1
Financial and insurance services	3.9	4.0	2.5	4.5	1.9	4.4	1.2	0.6	1.6	0.9
Rental, hiring and real estate services	4.4	3.4	2.2	3.6	1.6	2.9	0.6	0.4	1.4	0.6
Professional, scientific and technical services	4.5	5.4	3.0	5.5	2.8	4.6	1.0	0.8	1.9	0.8
Administrative and support services	4.6	4.2	2.2	5.0	1.8	4.0	0.7	0.7	1.7	0.9
Public administration and safety	4.5	2.8	2.6	2.8	2.6	3.5	0.5	0.0	2.3	0.7
Education and training	4.5	4.9	4.1	5.0	4.0	4.2	2.4	0.4	0.9	0.5
Health care and social assistance	4.0	3.5	3.3	3.6	2.7	4.1	1.3	0.5	1.6	0.7
Arts and recreation services	4.2	3.8	2.7	4.2	2.4	2.8	0.5	0.2	1.5	0.7
Other services	3.8	3.4	2.4	3.8	2.1	3.1	1.0	0.2	1.5	0.5
<b>All industries</b>	<b>4.3</b>	<b>4.0</b>	<b>2.8</b>	<b>4.3</b>	<b>2.5</b>	<b>3.9</b>	<b>0.8</b>	<b>0.7</b>	<b>1.5</b>	<b>0.9</b>
PUBLIC										
Electricity, gas, water and waste services	4.0	4.4	4.9	4.8	4.0	5.4	2.4	0.4	0.7	1.8
Professional, scientific and technical services	4.3	3.0	4.3	2.3	3.7	5.4	2.9	0.2	1.8	0.5
Public administration and safety	4.2	4.3	4.1	4.5	3.8	4.1	1.1	0.3	1.8	0.8
Education and training	3.9	4.2	4.0	4.1	3.9	4.5	1.9	0.5	1.1	0.8
Health care and social assistance	3.8	4.0	4.9	3.8	5.2	3.1	0.4	0.6	1.1	0.9
<b>All industries(a)</b>	<b>4.0</b>	<b>4.2</b>	<b>4.3</b>	<b>4.2</b>	<b>4.1</b>	<b>3.9</b>	<b>1.2</b>	<b>0.4</b>	<b>1.4</b>	<b>0.9</b>
ALL SECTORS										
Mining	5.8	5.6	3.6	6.3	3.5	4.6	1.2	1.4	0.5	1.4
Manufacturing	4.4	3.6	2.3	4.3	2.0	3.9	0.5	0.9	1.4	1.1
Electricity, gas, water and waste services	4.1	4.4	4.4	4.7	3.9	4.7	1.7	0.5	0.9	1.5
Construction	4.5	4.6	3.2	4.5	3.4	4.0	0.6	1.1	1.3	0.9
Wholesale trade	3.7	4.1	2.3	4.3	2.5	3.5	0.2	0.6	1.3	1.4
Retail trade	4.3	3.8	2.7	3.8	2.4	3.3	0.6	0.5	1.5	0.7
Accommodation and food services	2.9	3.0	2.3	2.9	1.9	3.5	0.8	0.4	2.0	0.3
Transport, postal and warehousing	4.0	4.5	3.8	4.5	4.0	2.9	0.5	0.2	1.5	0.7
Information media and telecommunications	3.9	3.1	2.2	3.2	2.0	3.1	0.4	0.5	1.1	1.2
Financial and insurance services	4.1	4.0	2.6	4.4	2.1	4.4	1.2	0.6	1.6	0.9
Rental, hiring and real estate services	4.4	3.4	2.6	3.7	1.9	3.0	0.6	0.4	1.5	0.6
Professional, scientific and technical services	4.5	5.2	3.0	5.2	2.8	4.6	1.1	0.9	1.9	0.7
Administrative and support services	4.6	4.2	2.2	5.0	1.9	3.9	0.7	0.6	1.8	0.8
Public administration and safety	4.1	4.3	4.0	4.5	3.7	4.0	1.0	0.3	1.8	0.8
Education and training	4.0	4.4	4.0	4.4	3.9	4.4	2.1	0.5	0.9	0.7
Health care and social assistance	3.8	3.7	4.0	3.7	3.9	3.6	0.9	0.5	1.4	0.8
Arts and recreation services	4.0	3.7	3.0	4.2	2.5	3.1	0.7	0.3	1.4	0.7
Other services	3.8	3.4	2.4	4.0	2.0	3.2	1.0	0.2	1.5	0.6
<b>All industries</b>	<b>4.2</b>	<b>4.0</b>	<b>3.1</b>	<b>4.3</b>	<b>2.9</b>	<b>3.8</b>	<b>0.9</b>	<b>0.6</b>	<b>1.4</b>	<b>0.9</b>

(a) Includes those industries not separately listed.

Period	ORDINARY TIME HOURLY RATES			TOTAL HOURLY RATES		
	Private	Public	All Sectors	Private	Public	All Sectors
INDEX NUMBERS (a)						
<b>2006–07</b>	91.9	92.2	92.0	91.9	92.2	92.0
<b>2007–08</b>	96.2	96.0	96.1	96.2	96.0	96.1
<b>2008–09</b>	100.0	100.0	100.0	100.0	100.0	100.0
<b>2009–10</b>	102.9	104.2	103.2	102.8	104.3	103.2
<b>2007</b>						
December	95.7	95.6	95.7	95.7	95.6	95.7
<b>2008</b>						
March	96.7	96.5	96.7	96.7	96.5	96.7
June	97.6	97.0	97.4	97.6	97.0	97.4
September	98.8	98.2	98.7	98.8	98.3	98.7
December	99.8	99.7	99.7	99.8	99.7	99.7
<b>2009</b>						
March	100.3	100.8	100.5	100.3	100.7	100.5
June	101.1	101.3	101.2	101.1	101.3	101.2
September	101.7	102.8	102.0	101.7	102.8	102.0
December	102.5	103.8	102.8	102.4	103.8	102.8
<b>2010</b>						
March	103.3	104.9	103.7	103.2	105.0	103.6
June	104.0	105.4	104.4	104.0	105.4	104.3
September	105.7	106.9	106.0	105.7	106.9	106.0
December	106.4	107.8	106.8	106.4	107.8	106.8
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)						
<b>2007–08</b>	4.7	4.1	4.5	4.7	4.1	4.5
<b>2008–09</b>	4.0	4.2	4.1	4.0	4.2	4.1
<b>2009–10</b>	2.9	4.2	3.2	2.8	4.3	3.2
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)						
<b>2008</b>						
December	4.3	4.3	4.2	4.3	4.3	4.2
<b>2009</b>						
March	3.7	4.5	3.9	3.7	4.4	3.9
June	3.6	4.4	3.9	3.6	4.4	3.9
September	2.9	4.7	3.3	2.9	4.6	3.3
December	2.7	4.1	3.1	2.6	4.1	3.1
<b>2010</b>						
March	3.0	4.1	3.2	2.9	4.3	3.1
June	2.9	4.0	3.2	2.9	4.0	3.1
September	3.9	4.0	3.9	3.9	4.0	3.9
December	3.8	3.9	3.9	3.9	3.9	3.9
CHANGE FROM PREVIOUS QUARTER (%)						
<b>2008</b>						
December	1.0	1.5	1.0	1.0	1.4	1.0
<b>2009</b>						
March	0.5	1.1	0.8	0.5	1.0	0.8
June	0.8	0.5	0.7	0.8	0.6	0.7
September	0.6	1.5	0.8	0.6	1.5	0.8
December	0.8	1.0	0.8	0.7	1.0	0.8
<b>2010</b>						
March	0.8	1.1	0.9	0.8	1.2	0.8
June	0.7	0.5	0.7	0.8	0.4	0.7
September	1.6	1.4	1.5	1.6	1.4	1.6
December	0.7	0.8	0.8	0.7	0.8	0.8

(a) Reference base of each index: 2008–09 = 100.0.

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
INDEX NUMBERS (a)									
<b>2006-07</b>	92.8	92.6	92.1	91.8	89.9	92.4	92.2	92.4	<b>92.2</b>
<b>2007-08</b>	96.4	96.2	96.0	96.3	95.1	95.9	95.7	96.3	<b>96.1</b>
<b>2008-09</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>
<b>2009-10</b>	103.2	102.8	103.3	102.8	103.4	103.7	103.4	103.5	<b>103.1</b>
<b>2007</b>									
December	95.9	95.8	95.7	96.0	94.6	95.5	95.1	96.0	<b>95.6</b>
<b>2008</b>									
March	96.8	96.7	96.5	96.9	95.6	96.3	95.9	96.7	<b>96.5</b>
June	97.7	97.7	97.1	97.4	96.8	97.1	97.5	97.3	<b>97.4</b>
September	98.7	98.7	98.6	98.4	98.1	98.5	98.3	98.6	<b>98.6</b>
December	99.7	99.8	99.7	99.9	99.9	99.6	99.7	99.5	<b>99.7</b>
<b>2009</b>									
March	100.5	100.5	100.6	100.7	100.7	100.7	100.8	100.6	<b>100.6</b>
June	101.2	101.0	101.1	101.0	101.3	101.2	101.2	101.3	<b>101.1</b>
September	102.3	101.7	102.1	101.7	102.1	102.6	101.9	102.3	<b>102.0</b>
December	102.6	102.5	102.8	102.3	102.9	103.2	103.1	103.2	<b>102.6</b>
<b>2010</b>									
March	103.7	103.2	103.8	103.2	103.7	104.3	104.0	104.0	<b>103.5</b>
June	104.3	103.7	104.4	103.9	104.7	104.8	104.6	104.3	<b>104.2</b>
September	105.8	105.3	106.1	105.1	106.1	105.9	105.8	106.2	<b>105.7</b>
December	106.5	106.3	107.1	106.3	107.0	106.7	107.0	107.0	<b>106.6</b>
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)									
<b>2007-08</b>	3.9	3.9	4.2	4.9	5.8	3.8	3.8	4.2	<b>4.2</b>
<b>2008-09</b>	3.7	4.0	4.2	3.8	5.2	4.3	4.5	3.8	<b>4.1</b>
<b>2009-10</b>	3.2	2.8	3.3	2.8	3.4	3.7	3.4	3.5	<b>3.1</b>
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2008</b>									
December	4.0	4.2	4.2	4.1	5.6	4.3	4.8	3.6	<b>4.3</b>
<b>2009</b>									
March	3.8	3.9	4.2	3.9	5.3	4.6	5.1	4.0	<b>4.2</b>
June	3.6	3.4	4.1	3.7	4.6	4.2	3.8	4.1	<b>3.8</b>
September	3.6	3.0	3.5	3.4	4.1	4.2	3.7	3.8	<b>3.4</b>
December	2.9	2.7	3.1	2.4	3.0	3.6	3.4	3.7	<b>2.9</b>
<b>2010</b>									
March	3.2	2.7	3.2	2.5	3.0	3.6	3.2	3.4	<b>2.9</b>
June	3.1	2.7	3.3	2.9	3.4	3.6	3.4	3.0	<b>3.1</b>
September	3.4	3.5	3.9	3.3	3.9	3.2	3.8	3.8	<b>3.6</b>
December	3.8	3.7	4.2	3.9	4.0	3.4	3.8	3.7	<b>3.9</b>
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2008</b>									
December	1.0	1.1	1.1	1.5	1.8	1.1	1.4	0.9	<b>1.1</b>
<b>2009</b>									
March	0.8	0.7	0.9	0.8	0.8	1.1	1.1	1.1	<b>0.9</b>
June	0.7	0.5	0.5	0.3	0.6	0.5	0.4	0.7	<b>0.5</b>
September	1.1	0.7	1.0	0.7	0.8	1.4	0.7	1.0	<b>0.9</b>
December	0.3	0.8	0.7	0.6	0.8	0.6	1.2	0.9	<b>0.6</b>
<b>2010</b>									
March	1.1	0.7	1.0	0.9	0.8	1.1	0.9	0.8	<b>0.9</b>
June	0.6	0.5	0.6	0.7	1.0	0.5	0.6	0.3	<b>0.7</b>
September	1.4	1.5	1.6	1.2	1.3	1.0	1.1	1.8	<b>1.4</b>
December	0.7	0.9	0.9	1.1	0.8	0.8	1.1	0.8	<b>0.9</b>

(a) Reference base of each index: 2008-09 = 100.0.

Industry	FINANCIAL YEAR				QUARTER				
	2006–07	2007–08	2008–09	2009–10	Dec Qtr 2009	Mar Qtr 2010	Jun Qtr 2010	Sep Qtr 2010	Dec Qtr 2010
<b>PRIVATE</b>									
Mining	89.5	94.6	100.0	103.6	102.9	104.0	105.5	106.1	107.5
Manufacturing	92.5	96.6	100.0	102.3	102.0	102.4	103.4	104.7	105.8
Electricity, gas, water and waste services	91.6	95.5	100.0	103.6	103.3	104.1	104.9	106.0	107.2
Construction	91.2	95.5	100.0	103.3	102.9	103.4	104.5	106.0	106.9
Wholesale trade	92.7	96.1	100.0	102.3	102.1	102.3	102.9	104.2	105.7
Retail trade	92.2	96.2	100.0	102.8	102.5	103.1	103.7	105.2	106.0
Accommodation and food services	94.4	97.1	100.0	102.3	101.8	102.6	103.0	105.1	105.4
Transport, postal and warehousing	91.8	95.7	100.0	103.8	103.8	104.3	104.5	106.1	106.9
Information media and telecommunications	93.8	97.1	100.0	102.0	101.7	102.1	102.6	103.8	104.8
Financial and insurance services	92.6	96.1	100.0	102.5	101.9	103.1	103.7	105.4	106.4
Rental, hiring and real estate services	92.6	96.7	100.0	102.1	101.8	102.4	102.7	104.2	104.7
Professional, scientific and technical services	90.8	94.9	100.0	103.0	102.3	103.3	104.2	106.2	107.0
Administrative and support services	91.7	96.0	100.0	102.2	101.7	102.4	103.1	105.0	105.8
Public administration and safety	93.1	97.3	100.0	102.5	102.4	103.0	103.0	105.3	106.0
Education and training	91.2	95.3	100.0	104.1	102.8	105.3	105.8	106.6	107.1
Health care and social assistance	93.0	96.6	100.0	103.3	102.7	104.0	104.5	106.2	106.9
Arts and recreation services	92.3	96.3	100.0	102.7	102.6	103.1	103.3	104.8	105.5
Other services	93.1	96.7	100.0	102.3	101.9	102.9	103.1	104.6	105.2
<b>All industries</b>	<b>92.2</b>	<b>96.2</b>	<b>100.0</b>	<b>102.8</b>	<b>102.3</b>	<b>103.1</b>	<b>103.8</b>	<b>105.4</b>	<b>106.3</b>
<b>PUBLIC</b>									
Electricity, gas, water and waste services	92.0	95.7	100.0	104.9	103.8	106.3	106.7	107.6	109.5
Professional, scientific and technical services	93.1	97.1	100.0	104.3	102.8	105.8	106.0	107.9	108.4
Public administration and safety	92.0	95.8	100.0	104.1	103.7	104.8	105.1	107.0	107.9
Education and training	92.4	96.0	100.0	104.0	103.1	105.1	105.6	106.8	107.7
Health care and social assistance	92.7	96.2	100.0	104.9	104.8	105.2	105.7	107.0	108.0
<b>All industries(b)</b>	<b>92.3</b>	<b>96.0</b>	<b>100.0</b>	<b>104.2</b>	<b>103.7</b>	<b>105.0</b>	<b>105.4</b>	<b>106.9</b>	<b>107.8</b>
<b>ALL SECTORS</b>									
Mining	89.5	94.6	100.0	103.6	102.9	104.0	105.5	106.1	107.5
Manufacturing	92.5	96.6	100.0	102.4	102.0	102.5	103.4	104.7	105.8
Electricity, gas, water and waste services	91.8	95.7	100.0	104.4	103.6	105.4	106.0	107.0	108.6
Construction	91.3	95.6	100.0	103.3	102.9	103.4	104.5	106.0	106.9
Wholesale trade	92.7	96.1	100.0	102.3	102.1	102.3	102.9	104.2	105.7
Retail trade	92.1	96.2	100.0	102.7	102.5	103.1	103.6	105.2	105.9
Accommodation and food services	94.4	97.1	100.0	102.3	101.8	102.6	103.0	105.1	105.4
Transport, postal and warehousing	92.0	95.7	100.0	103.8	103.8	104.2	104.4	105.9	106.7
Information media and telecommunications	93.4	97.0	100.0	102.2	101.9	102.3	102.8	103.9	105.0
Financial and insurance services	92.4	96.2	100.0	102.6	102.0	103.2	103.8	105.5	106.5
Rental, hiring and real estate services	92.6	96.6	100.0	102.6	102.2	102.8	103.2	104.7	105.2
Professional, scientific and technical services	91.0	95.1	100.0	103.1	102.4	103.4	104.3	106.3	107.1
Administrative and support services	91.8	96.0	100.0	102.2	101.8	102.4	103.1	105.0	105.9
Public administration and safety	92.1	95.9	100.0	104.0	103.6	104.6	104.9	106.8	107.7
Education and training	92.1	95.8	100.0	104.0	103.0	105.2	105.7	106.7	107.5
Health care and social assistance	92.9	96.4	100.0	104.0	103.7	104.5	105.1	106.5	107.4
Arts and recreation services	92.7	96.4	100.0	103.0	102.8	103.5	103.8	105.3	106.0
Other services	93.1	96.7	100.0	102.4	102.0	103.0	103.2	104.6	105.2
<b>All industries</b>	<b>92.2</b>	<b>96.1</b>	<b>100.0</b>	<b>103.1</b>	<b>102.6</b>	<b>103.5</b>	<b>104.2</b>	<b>105.7</b>	<b>106.6</b>

(a) Reference base of each index: 2008–09 = 100.0.

(b) Includes those industries not separately listed.

Industry	FROM PREVIOUS FINANCIAL YEAR			FROM CORRESPONDING QUARTER OF PREVIOUS YEAR			FROM PREVIOUS QUARTER			
				Dec Qtr 2008	Dec Qtr 2009	Dec Qtr 2010	Mar Qtr 2010	Jun Qtr 2010	Sep Qtr 2010	Dec Qtr 2010
	2007-08	2008-09	2009-10							
<b>PRIVATE</b>										
Mining	5.7	5.7	3.6	6.4	3.6	4.5	1.1	1.4	0.6	1.3
Manufacturing	4.4	3.5	2.3	4.1	2.2	3.7	0.4	1.0	1.3	1.1
Electricity, gas, water and waste services	4.3	4.7	3.6	5.0	3.4	3.8	0.8	0.8	1.0	1.1
Construction	4.7	4.7	3.3	4.6	3.5	3.9	0.5	1.1	1.4	0.8
Wholesale trade	3.7	4.1	2.3	4.3	2.5	3.5	0.2	0.6	1.3	1.4
Retail trade	4.3	4.0	2.8	3.9	2.4	3.4	0.6	0.6	1.4	0.8
Accommodation and food services	2.9	3.0	2.3	2.9	1.9	3.5	0.8	0.4	2.0	0.3
Transport, postal and warehousing	4.2	4.5	3.8	4.6	4.3	3.0	0.5	0.2	1.5	0.8
Information media and telecommunications	3.5	3.0	2.0	3.2	1.8	3.0	0.4	0.5	1.2	1.0
Financial and insurance services	3.8	4.1	2.5	4.5	1.9	4.4	1.2	0.6	1.6	0.9
Rental, hiring and real estate services	4.4	3.4	2.1	3.6	1.6	2.8	0.6	0.3	1.5	0.5
Professional, scientific and technical services	4.5	5.4	3.0	5.5	2.8	4.6	1.0	0.9	1.9	0.8
Administrative and support services	4.7	4.2	2.2	5.0	1.8	4.0	0.7	0.7	1.8	0.8
Public administration and safety	4.5	2.8	2.5	2.9	2.5	3.5	0.6	0.0	2.2	0.7
Education and training	4.5	4.9	4.1	5.0	4.0	4.2	2.4	0.5	0.8	0.5
Health care and social assistance	3.9	3.5	3.3	3.6	2.7	4.1	1.3	0.5	1.6	0.7
Arts and recreation services	4.3	3.8	2.7	4.2	2.4	2.8	0.5	0.2	1.5	0.7
Other services	3.9	3.4	2.3	3.8	2.0	3.2	1.0	0.2	1.5	0.6
<b>All industries</b>	<b>4.3</b>	<b>4.0</b>	<b>2.8</b>	<b>4.3</b>	<b>2.5</b>	<b>3.9</b>	<b>0.8</b>	<b>0.7</b>	<b>1.5</b>	<b>0.9</b>
<b>PUBLIC</b>										
Electricity, gas, water and waste services	4.0	4.5	4.9	4.8	3.9	5.5	2.4	0.4	0.8	1.8
Professional, scientific and technical services	4.3	3.0	4.3	2.3	3.7	5.4	2.9	0.2	1.8	0.5
Public administration and safety	4.1	4.4	4.1	4.6	3.8	4.1	1.1	0.3	1.8	0.8
Education and training	3.9	4.2	4.0	4.1	3.9	4.5	1.9	0.5	1.1	0.8
Health care and social assistance	3.8	4.0	4.9	3.9	5.1	3.1	0.4	0.5	1.2	0.9
<b>All industries(a)</b>	<b>4.0</b>	<b>4.2</b>	<b>4.2</b>	<b>4.3</b>	<b>4.0</b>	<b>4.0</b>	<b>1.3</b>	<b>0.4</b>	<b>1.4</b>	<b>0.8</b>
<b>ALL SECTORS</b>										
Mining	5.7	5.7	3.6	6.4	3.6	4.5	1.1	1.4	0.6	1.3
Manufacturing	4.4	3.5	2.4	4.2	2.1	3.7	0.5	0.9	1.3	1.1
Electricity, gas, water and waste services	4.2	4.5	4.4	4.8	3.7	4.8	1.7	0.6	0.9	1.5
Construction	4.7	4.6	3.3	4.5	3.5	3.9	0.5	1.1	1.4	0.8
Wholesale trade	3.7	4.1	2.3	4.3	2.5	3.5	0.2	0.6	1.3	1.4
Retail trade	4.5	4.0	2.7	3.9	2.4	3.3	0.6	0.5	1.5	0.7
Accommodation and food services	2.9	3.0	2.3	2.9	1.9	3.5	0.8	0.4	2.0	0.3
Transport, postal and warehousing	4.0	4.5	3.8	4.5	4.1	2.8	0.4	0.2	1.4	0.8
Information media and telecommunications	3.9	3.1	2.2	3.3	2.0	3.0	0.4	0.5	1.1	1.1
Financial and insurance services	4.1	4.0	2.6	4.4	2.1	4.4	1.2	0.6	1.6	0.9
Rental, hiring and real estate services	4.3	3.5	2.6	3.7	2.0	2.9	0.6	0.4	1.5	0.5
Professional, scientific and technical services	4.5	5.2	3.1	5.2	2.9	4.6	1.0	0.9	1.9	0.8
Administrative and support services	4.6	4.2	2.2	5.0	1.9	4.0	0.6	0.7	1.8	0.9
Public administration and safety	4.1	4.3	4.0	4.5	3.7	4.0	1.0	0.3	1.8	0.8
Education and training	4.0	4.4	4.0	4.4	3.9	4.4	2.1	0.5	0.9	0.7
Health care and social assistance	3.8	3.7	4.0	3.7	3.9	3.6	0.8	0.6	1.3	0.8
Arts and recreation services	4.0	3.7	3.0	4.2	2.5	3.1	0.7	0.3	1.4	0.7
Other services	3.9	3.4	2.4	3.8	2.1	3.1	1.0	0.2	1.4	0.6
<b>All industries</b>	<b>4.2</b>	<b>4.1</b>	<b>3.1</b>	<b>4.3</b>	<b>2.9</b>	<b>3.9</b>	<b>0.9</b>	<b>0.7</b>	<b>1.4</b>	<b>0.9</b>

(a) Includes those industries not separately listed.

## EXPLANATORY NOTES

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### INTRODUCTION

**1** This publication contains indexes measuring changes in the price of labour in the Australian labour market.

**2** The methodology used to construct the wage, non-wage and labour price indexes (LPI) is similar to that used for other price indexes such as the Consumer Price Index. In the LPI, index numbers are compiled using information collected from a representative sample of employee jobs within a sample of employing organisations. Individual indexes are compiled for various combinations of state/territory, sector (private/public) and broad industry group. Industry is classified according to the *Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006* (cat. no. 1292.0). Prior to September quarter 2009, the ANZSIC 1993 version of the classification was used. Wage price indexes for broad occupation groups have been discontinued with the last data in the series relating to the September quarter 2008. Appendix 3 of the December quarter 2008 edition of this publication outlines where to find historical data for occupation based indexes. That appendix also contains a concordance between the old and new publication tables as a result of these series ceasing. For more detailed information on the methodology used in the construction of the LPI, refer to *Labour Price Index: Concepts, Sources and Methods* (cat. no. 6351.0.55.001).

### PUBLISHED INDEXES

**3** Four wage price indexes are constructed and published quarterly. These indexes were first compiled for the September quarter 1997, and cover:

- ordinary time hourly rates of pay excluding bonuses index
- ordinary time hourly rates of pay including bonuses index
- total hourly rates of pay excluding bonuses index
- total hourly rates of pay including bonuses index.

In these indexes the term 'bonuses' refers to bonuses and commissions.

**4** Four non-wage price indexes are constructed. These are financial year indexes and were first compiled for the 2001–02 financial year. The non-wage indexes cover:

- annual and public holiday leave
- superannuation
- payroll tax
- workers' compensation.

**5** From the individual wage and non-wage components a labour price index can be constructed. Two versions of the labour price index are produced and, like the non-wage price indexes, they are financial year indexes (first compiled for 2001–02):

- labour price index excluding bonuses
- labour price index including bonuses.

**6** The full set of LPI's is updated annually in the September quarter LPI publication. In all other quarters a summary LPI table is published as an appendix to the publication.

### DESIGN OF THE INDEXES

#### BROAD DESCRIPTION

**7** The wage, non-wage and labour price indexes measure changes over time in the price of labour unaffected by changes in the quality or quantity of work performed. A range of procedures have been developed to identify and measure quality and quantity changes and ensure that only pure price changes are reflected in the indexes.

**8** Price-determining characteristics of the jobs are detailed in fixed pricing specifications and any changes in labour payments due to changes in the pricing specifications do not contribute to index movements. The following are examples of changes in price-determining characteristics which are not reflected in index movements:

- changes in the nature of work performed (e.g. different tasks or responsibilities)
- changes in the quantity of work performed (e.g. the number of hours worked)

## EXPLANATORY NOTES *continued*

### BROAD DESCRIPTION *continued*

- changes in the characteristics of the job occupant (e.g. age, apprenticeship year, successful completion of training or a qualification, grade or level, experience, length of service, etc.)
- changes in the location where the work is performed.

**9** Changes in the price of labour resulting from changes in the composition of the labour market are also excluded from index movements. To achieve this, price movements for each segment of the labour market (defined by state/territory, sector and industry) are combined using expenditure weights that remain constant between successive weighting base periods.

### WAGE PRICE INDEXES

**10** The *ordinary time hourly rates of pay indexes* that *exclude bonuses* measure quarterly changes in ordinary time hourly wage and salary rates. Changes in rates of pay reflected in these indexes (i.e. pure price changes) arise from a range of sources including award variations, enterprise and workplace agreements, minimum wage setting, individual contracts and informal arrangements.

**11** These indexes are not affected by changes in:

- penalty payments for overtime, shifts, weekends and public holidays (which fluctuate depending on the number of hours paid at penalty rates)
- allowances (which fluctuate according to how much work is performed under special work conditions e.g. height, dirt, heat allowances)
- bonus payments (which may, or may not, relate to an individual's work performance).

These payments are specifically excluded when calculating ordinary time hourly wage and salary rates.

**12** The effect of rolling ordinary time penalty payments and allowances into ordinary time hourly rates is excluded from these indexes. However, when overtime penalty payments are rolled into ordinary time hourly rates, the ordinary time indexes will increase accordingly.

**13** The *total hourly rates of pay indexes* that *exclude bonuses* are based on a weighted combination of ordinary time hourly wage and salary rates (described in paragraphs 10 and 11) and overtime hourly rates. As a result, the total hourly indexes reflect changes in both the ordinary time and overtime hourly rates. However, the effect of changes in the amount of overtime paid at each overtime rate is not shown in these indexes.

**14** Only those indexes that *exclude* bonuses and commissions are pure price indexes because bonus and commission payments can reflect changes in the quality of work performed. No attempt is made to remove this quality element from the indexes that include bonuses and commissions.

**15** A review of the treatment of bonuses and commissions resulted in methodological changes in the March quarter 2006. Details of these changes and the likely impact on the indexes that include bonuses and commissions can be found in each of the 2006 editions of this publication.

### NON-WAGE PRICE INDEXES

**16** The *annual and public holiday leave index* is calculated using both ordinary time hourly wage and salary rates, and the amount of annual and public holiday leave offered by employers. Pure price changes in either of these variables will reflect in the index. The index specifically prices leave *entitlements* and therefore will not show changes due to fluctuations in the actual amount of leave taken by job occupants.

**17** The *superannuation index* is calculated using ordinary time hourly wage and salary rates, and the rate of superannuation that is paid by employers. Pure price changes in either of these variables will be reflected in the index. Superannuation payments equal to and above the legislated minimum specified in the *Superannuation Guarantee Act*

## EXPLANATORY NOTES *continued*

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### NON-WAGE PRICE INDEXES

*continued*

1992 are included in the index. Amounts that are salary sacrificed to superannuation are included in the wage price indexes and not the superannuation index.

**18** The *payroll tax and workers' compensation indexes* are calculated differently to the other wage and non-wage indexes. As these costs are both levied at the employer level, the indexes are calculated using total payroll information rather than rates of pay data. The separate indexes are derived by applying either payroll tax rates/thresholds or workers' compensation premium rates to the total payroll data. The indexes reflect pure price changes in total payroll and either changes in the payroll tax rates/thresholds or workers' compensation premium rates.

**19** Data quality concerns exist in relation to the workers' compensation premium rates for the ACT private sector. Until these concerns are resolved, these data will be imputed based on industry averages across Australia. Workers' compensation index numbers for the ACT private sector will not be published separately.

### LABOUR PRICE INDEXES

**20** Two labour price indexes (one including bonuses and one excluding them) are constructed from the individual wage and non-wage components. As with the wage price indexes, only the labour price index that excludes bonuses is a pure price index because bonuses tend to reflect, at least partly, changes in the quality of work performed.

### SCOPE AND COVERAGE

**21** The target population of employers for the LPI is all employing organisations in Australia (private and public sectors) except:

- enterprises primarily engaged in agriculture, forestry or fishing
- private households employing staff
- foreign embassies, consulates, etc.

**22** A sample redesign of the LPI was undertaken and the outcome implemented from December quarter 2009. A result of this review was to stop collecting data on a quarterly basis from micro businesses (0-4 employment). The size and frequency of pay changes for jobs in micro businesses was found to be the same as businesses with employment of five or more. Therefore, micro businesses are now treated as being out of coverage of the LPI but remain in scope through their continued inclusion in the expenditure weights used in compiling the LPI. The introduction of this change does not impact what the LPI is measuring.

**23** All employee jobs in the target population of employers are in scope of the LPI, except the following:

- Australian permanent defence force jobs
- non-salaried directors
- proprietors/partners of unincorporated businesses
- persons paid by commission only
- working proprietors/owner managers of Pty Ltd companies
- employees on workers' compensation who are not paid through the payroll
- 'non-maintainable' jobs (i.e. jobs that are expected to be occupied for less than six months of a year)
- jobs for which wages and salaries are not determined by the Australian labour market (e.g. most employees of Community Development Employment Programs, or jobs where the remuneration is set in a foreign country).

**24** As such, full-time, part-time, permanent, casual, managerial and non-managerial jobs are in scope of the LPI. Costs incurred by employers for work undertaken by self-employed persons such as consultants and subcontractors are out-of-scope of the LPI, as they do not relate to employee jobs.

## EXPLANATORY NOTES *continued*

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### DATA COLLECTION

**25** Information for the wage price indexes is collected each quarter by mail questionnaires from a sample survey of private and public sector employers selected from the ABS Business Register. The survey reference date is the last pay period ending on or before the third Friday of the middle month of the quarter, except for bonuses which are collected in respect to those paid during the three month period ending on the third Friday of the middle month of the quarter. In the first quarter they participate in the survey, each employer selects a sample of jobs from their workplace(s) using sampling instructions provided by the ABS, and provides information for these jobs, including detailed pricing specifications. In subsequent quarters they are asked to provide details of payments made to the current occupants of these same jobs. It is essential that the same jobs are priced in successive quarters, whether the individual job occupants are the same or not. Approximately 18,000 matched jobs are priced each quarter from the selected employers.

**26** The sampling method retains the highest possible common sample of employers over time, and retains the same sampled jobs within those employers where possible. However, it is also necessary to ensure the LPI continues to be relevant and representative over time. For these reasons, the employer sample is refreshed annually (for the December quarter) in a way that ensures a high proportion of common selections while allowing new employers to be represented in the sample. Refreshing the sample also allows the ABS to control the length of time that small businesses are included in the sample.

**27** Between each annual refresh of the employer sample, a small number of employee jobs will be lost from the survey sample because of the closure of some businesses. In addition, some jobs in continuing businesses will be replaced in the sample because of restructuring and other job changes.

**28** Annual leave and superannuation information is collected from the same job sample as that used to construct the wage price indexes. However, data are only collected annually as part of the June quarter LPI survey. Changes in the job sample due to factors such as the annual refreshing of the employer sample, together with the requirement of pricing the same jobs in successive years, reduces the number of matched jobs used to calculate the annual and public holiday leave index and the superannuation index compared with the matched jobs underlying the wage price indexes.

**29** Information from administrative and other ABS data sources is used to construct the payroll tax and workers' compensation indexes, as well as the public holiday component of the annual and public holiday leave index.

### WEIGHTING

**30** In the LPI, as with other price indexes, expenditure weights are used to combine elementary aggregates into broader level indexes. Expenditure weights reflect changes in the distribution of the number of employee jobs among industries, states/territories and sectors, as well as changes in labour cost relativities. These weights are derived from independent estimates of labour costs for each elementary aggregate. The estimates are sourced from other ABS surveys. The main source of estimates for updating expenditure weights in LPI is the Survey of Major Labour Costs (MLC). However, due to the time that has elapsed since the last MLC survey was conducted, estimates from the biennial Survey of Employee Earnings and Hours (EEH) are being used. The 2010 EEH has been used for the December quarter 2010 update. The use of an alternative source was considered necessary to ensure the most contemporary pattern of employer expenditure for labour among each segment of the labour market (elementary aggregate) was used. Appendix 1 shows the distribution of employers' expenditure on wages and salaries, updated in December quarter 2010.

## EXPLANATORY NOTES *continued*

### WEIGHTING *continued*

**31** To facilitate comparison of index numbers over time, the published indexes are not re-referenced (i.e. reset to 100.0) each time this re-weighting occurs. Instead, the series based on the old expenditure weights and that based on the new weights are linked via an arithmetic calculation, which is referred to as chaining. This provides a continuous series from the commencement of the index, while incorporating the updated expenditure weights.

### INTERPRETATION OF INDEX NUMBERS

**32** Index numbers in this publication measure changes in the price of labour between the commencement of the series and a later period. Index number levels cannot be compared across states/territories as they do not provide comparative information on the relative levels of labour costs. Similarly, index number levels cannot be compared across sectors or industries. The usefulness of index numbers stems from the fact that index numbers for any two periods can be used to directly calculate the change or movement in the price of labour between the two periods. These *movements* can be compared across states/territories, sectors or industries.

### PERCENTAGE CHANGE AND ROUNDING

**33** The published index numbers have been rounded to one decimal place, and the percentage changes (also rounded to one decimal place) are calculated from the rounded index numbers. In some cases, this can result in the percentage change for the total level of a group of indexes being outside the range of the percentage changes for the component level indexes. Seasonally adjusted and trend quarterly estimates are calculated from unrounded original indexes and then rounded to one decimal place.

### INDEX MOVEMENTS

**34** Movements in indexes from one period to another can be expressed either as changes in index points or as percentage changes. In this publication, percentage changes are calculated to illustrate three different kinds of movements in indexes:

- movements between consecutive quarters
- movements between corresponding quarters of consecutive years (i.e. changes 'through the year')
- movements between consecutive financial years.

**35** The following example illustrates the method of calculating changes in index points and percentage changes between any two periods:

*Total hourly rates of pay excluding bonuses, All Sectors, Australia*

Index numbers, trend (see table 1)

December quarter 2010	106.5
<i>less</i> December quarter 2009	102.6
Change in index points	3.9
Percentage change	3.9/102.6 x 100 = 3.8%

### FINANCIAL YEAR INDEXES

**36** Index numbers for financial years are calculated as simple (arithmetic) averages of the four quarterly index numbers for the financial year. As the wage price indexes were first produced for the September quarter 1997, the first financial year index number that can be calculated is for 1997–98. Consequently, the first percentage change between financial years that can be calculated is between 1997–98 and 1998–99. The following example illustrates the method of calculating the financial year index number for 2009–10:

*Total hourly rates of pay excluding bonuses, Australia*

Index numbers, original (see table 2)

September quarter 2009	102.0
<i>plus</i> December quarter 2009	102.7
<i>plus</i> March quarter 2010	103.6
<i>plus</i> June quarter 2010	104.2
Financial year 2009–10	412.5/4 = 103.1

## EXPLANATORY NOTES *continued*

### FINANCIAL YEAR INDEXES *continued*

### SEASONALLY ADJUSTED INDEXES

**37** Percentage changes between the index numbers for any two financial years can be calculated using the method outlined in paragraph 35 above.

**38** Seasonally adjusted estimates are derived by estimating and removing systematic calendar related effects from the original series. In most economic data these calendar related effects are a combination of the classical seasonal influences (e.g. the effect of the weather, social traditions or administrative practices) plus other kinds of calendar related variations, such as the number of trading days, Easter or the proximity of significant days in the year (e.g. Christmas). In the seasonal adjustment process, both seasonal and other calendar related factors evolve over time to reflect changes in activity patterns. The seasonally adjusted estimates reflect the sampling and non-sampling errors to which the original estimates are subject.

**39** The *total hourly rates of pay excluding bonuses index* is the only index of the LPI that is seasonally adjusted. Institutional effects largely drive the seasonality of this index. Important factors in determining this seasonality are the timing of effect of agreements, the length of these agreements, and the timing of the implementation of significant wage determinations that impact on rates of pay. A significant institutional change in wage setting arrangements can affect the relative level (or trend) and seasonality of the index.

**40** Prior to 2006, the Australian Industrial Relations Commission (AIRC) handed down annual Safety Net Review (SNR) decisions which set federal full-time minimum award rates. Since the commencement of the wage price index, the SNR contributed to the level of the wage price index. Most of its impact on the wage price index was in the September quarter with some residual effect in the December quarter each year. This impact contributed to the level of seasonality for those quarters. As a result of industrial relations changes associated with WorkChoices there was no SNR decision in 2006. The setting of federal minimum wage rates became the responsibility of the Australian Fair Pay Commission (AFPC).

**41** The AFPC's first decision was handed down on 26 October 2006 with a date of effect of 1 December 2006. The impact on the wage price index of the first AFPC ruling was mainly in the March quarter 2007. From 2007 to 2009, AFPC determinations have impacted the December quarter wage price index.

**42** On 1 July 2009 Fair Work Australia began operations as part of a new national workplace relations system underpinned by the Fair Work Act 2009. In June 2010 Fair Work Australia announced its first annual minimum wage decision: an increase of \$26 a week, effective from 1 July 2010. The increase in minimum wage rates impacted the wage price index in the September quarter 2010.

**43** Fair Work Australia minimum wage decisions are expected to continue to take effect in the September quarter of each year for the foreseeable future. This change in timing of minimum wage decisions is expected to see the original index increase more in the September quarter than in other quarters. To account for the change in timing, the seasonally adjusted and trend series have been reanalysed. The new series have been calculated to remove the influence of the different timing of minimum wage decisions in any year on the wage price index.

### CONCURRENT SEASONAL ANALYSIS

**44** The LPI uses a concurrent seasonal adjustment methodology to derive the adjustment factors. This method uses the original time series available at each reference period to estimate seasonal factors for the current and previous quarters. Concurrent seasonal adjustment is technically superior to the more traditional method of reanalysing seasonal patterns once each year because it uses all available data to fine tune the estimates of the seasonal component each quarter. With concurrent analysis, the seasonally adjusted series are subject to revision each quarter as the estimates of the seasonal factors are improved. In most instances, the only significant revisions will be to

## EXPLANATORY NOTES *continued*

### CONCURRENT SEASONAL ANALYSIS *continued*

the combined adjustment factors for the previous quarter and for the same quarter in the preceding year as the reference quarter (i.e. if the latest quarter is  $Q_t$  then the most significant revisions will be to  $Q_{t-1}$  and  $Q_{t-4}$ ). Seasonal patterns are also reanalysed when there are known changes to regular events. This can lead to additional revisions.

### ARIMA MODELLING

**45** Recently, the ABS has implemented improved methods of producing seasonally adjusted estimates, focused on the application of Autoregressive Integrated Moving Averages (ARIMA) modelling techniques. ARIMA modelling is a technique that can be used to extend original estimates beyond the end of a time series. The extended values are temporary, intermediate values, that are used internally to improve seasonal adjustment. They do not affect the original estimates and are discarded at the end of the seasonal adjustment process. The use of ARIMA modelling generally results in a reduction in revisions to the seasonally adjusted estimates when subsequent data becomes available. ARIMA modelling in the LPI was introduced in June quarter 2008. For more information on the details of ARIMA modelling see the feature article 'Use of ARIMA modelling to reduce revisions' in the October 2004 issue of *Australian Economic Indicators* (cat. no. 1350.0).

### TREND ESTIMATES

**46** The trend is a measure of the underlying direction of a series. The ABS trend estimates for the wage price index are derived by applying a 7-term Henderson-weighted moving average to all quarters of the respective seasonally adjusted indexes except the first three and last three quarters. Trend estimates are created for these quarters by applying surrogates of the 7-term Henderson weighted moving average to the seasonally adjusted indexes, tailored to each time series. In general, trend estimates give a better indication of underlying behaviour than the seasonally adjusted estimates. Please refer to the ABS Information Paper, *A Guide to Interpreting Time Series - Monitoring Trends* (cat. no. 1349.0).

**47** Increases in minimum wage rates contribute to the relative level (or trend) of the wage price index. A review of the seasonally adjusted series was undertaken in the September quarter 2010 to remove the impacts of the different timing of the increases in minimum wage rates. A trend break correction has been applied between June quarter and September quarter 2009 to remove the shift in the underlying level as a result of no increase to minimum wage rates being awarded in 2009.

### REFERENCE BASE PERIOD

**48** The reference base period of an index series is that period for which the value of the index is set to 100.0. It is most commonly a year but can also be a different length of time, ranging from two or three years down to a single quarter. It often coincides with the weighting base for the series, but this is not essential. The September quarter 1997 was used as the original reference base for the wage price indexes as it was the first quarter for which data was available. With the introduction of the non-wage indexes, the reference base was changed to 2003–04.

**49** With the implementation of the Australian and New Zealand Standard Industrial Classification 2006, all indexes are presented on a reference base of 2008–09. An explanation of the re-referencing process is included in Appendix 2.

### REVISIONS TO INDEXES

**50** Original index numbers will be released as final figures at the time they are first published. Revisions will only occur in exceptional circumstances. Trend and seasonally adjusted indexes for some quarters will be revised as extra quarters are included in the series analysed for seasonal influences (see paragraphs 38 to 47).

### RELATED PUBLICATIONS

**51** Users may also wish to refer to the following publications which are available free

## EXPLANATORY NOTES *continued*

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### RELATED PUBLICATIONS

*continued*

on the ABS website <<http://www.abs.gov.au>>:

*Labour Price Index: Concepts, Sources and Methods*, (cat. no. 6351.0.55.001)  
*Information Paper: Update on ANZSIC 2006 Implementation for Labour Price Index, Australia, 2009*, (cat. no. 6345.0.55.001)  
*Consumer Price Index, Australia*, (cat. no. 6401.0)  
*House Price Indexes, Eight Capital Cities*, (cat. no. 6416.0)  
*International Trade Price Indexes, Australia*, (cat. no. 6457.0)  
*Producer Price Indexes, Australia*, (cat. no. 6427.0)  
*Australian Consumer Price Index: Concepts, Sources and Methods*, (cat. no. 6461.0)  
*Producer and International Trade Price Indexes: Concepts, Sources and Methods*, (cat no. 6429.0)  
*Australian Labour Market Statistics*, (cat. no. 6105.0)

**52** Current publications and other products released by the ABS are listed on the ABS website <<http://www.abs.gov.au>>. The ABS also issues a daily Release Advice on the website which details products to be released in the week ahead.

### ABS DATA AVAILABLE ON REQUEST

**53** As well as the statistics included in this and related publications, the ABS may have other relevant data available on request. Inquiries should be made to Kathryn Parlor on Perth (08) 9360 5151 or the National Information and Referral Service on 1300 135 070.

## APPENDIX 1 DISTRIBUTION OF EXPENDITURE ON WAGES

AS UPDATED DECEMBER  
QUARTER 2010

### **A1** DISTRIBUTION OF EMPLOYERS' EXPENDITURE ON WAGES(a)(b)

	Private	Public	Total
	%	%	%
<b>Australia by sector</b>			
<b>Australia</b>	<b>75.5</b>	<b>24.5</b>	<b>100.0</b>
<b>Sector by State/Territory</b>			
New South Wales	33.8	29.0	32.6
Victoria	25.3	20.4	24.1
Queensland	18.7	19.4	18.9
South Australia	6.3	7.8	6.7
Western Australia	11.9	11.5	11.8
Tasmania	1.5	2.7	1.8
Northern Territory	1.0	1.9	1.2
Australian Capital Territory	1.6	7.2	3.0
<b>Australia</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Sector by broad industry group(c)</b>			
Mining	4.4	(d)	3.3
Manufacturing	13.1	(d)	9.9
Electricity, gas, water and waste services	0.8	4.4	1.7
Construction	9.2	(d)	7.0
Wholesale trade	6.6	(d)	5.0
Retail trade	8.2	(d)	6.2
Accommodation and food services	4.5	(d)	3.4
Transport, postal and warehousing	5.0	(d)	5.3
Information media and telecommunications	2.9	(d)	2.3
Financial and insurance services	7.9	(d)	6.2
Rental, hiring and real estate services	2.3	(d)	1.8
Professional, scientific and technical services	11.0	2.1	8.8
Administrative and support services	6.0	(d)	4.6
Public administration and safety	0.9	33.8	9.0
Education and training	3.7	28.4	9.8
Health care and social assistance	8.4	21.6	11.7
Arts and recreation services	1.2	(d)	1.2
Other services	3.8	(d)	2.9
<b>All industries</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) See paragraphs 30-31 of the Explanatory Notes.

(b) Components may not sum to 100.0 due to rounding.

(c) Classified according to the *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006* (cat. no. 1292.0).

(d) For the public sector, these industries are combined and included in the 'All Industries' total.

## APPENDIX 2 RE-REFERENCING THE WAGE PRICE INDEX

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### REFERENCE BASE

The reference base of an index series is that period for which the value of the index is set to 100.0. With the introduction of the 2006 edition of ANZSIC, all indexes are now presented on a reference base of 2008–09. Since the September quarter 2004, the LPI has used a reference base of 2003–04 = 100.0. Prior to this time the reference base for the wage price indexes was September quarter 1997. This was the first quarter for which data was available.

### CONVERTING A SERIES TO THE NEW REFERENCE BASE

The conversion of series from the old base to the new base involves a rescaling of the index numbers. The conversion factor that should be applied to the index numbers is calculated by obtaining the ratio of the index numbers on the old and new bases for the new reference period.

The conversion factor is calculated using the *unrounded* index number for the 2008–09 financial year. The calculation of financial year indexes is outlined in paragraph 35 of the Explanatory Notes.

For example, for the *total hourly rates of pay excluding bonuses index* for Australia, an arithmetic conversion factor is obtained as follows:

Index number for financial year 2008–09 (on base 2003–04 = 100.0) is 121.775

Index number for financial year 2008–09 (on base 2008–09 = 100.0) is 100.0

Conversion factor =  $100/121.775 = 0.8212$

The factor may be multiplied by any *total hourly rates of pay excluding bonuses index* number for Australia on the old reference base to give the corresponding number on the new reference base. The procedure shown in the above example may be followed in respect of any specific index series for which index numbers have been published on the old reference base, with the exception of industry index series. It is not appropriate to convert the ANZSIC 1993 industry series on the 2003–04 reference base in previous issues to the 2008–09 reference base using this method.

### ROUNDING

Index numbers and percentage changes are always published to one decimal place, with the percentage changes being calculated from the rounded index numbers. Index numbers for periods longer than a single quarter (e.g. for financial years) are calculated as the simple arithmetic average of the relevant rounded quarterly index numbers. The conversion factor described above is applied to the rounded index numbers.

A consequence of re-referencing price indexes can be that period to period percentage changes calculated using re-referenced index number series may differ slightly from those calculated using the original series. These differences do not constitute a revision of the index but simply reflect the effect of rounding.

### CONVERTING THE RE-REFERENCED SERIES BACK TO THE PREVIOUS BASE

The conversion of series from the new base to the old base also involves a rescaling of the index numbers. The rescaling factor is obtained by taking the inverse of the previously described scaling factor.

For example, for the *total hourly rates of pay excluding bonuses index* for Australia, the rescaling factor is obtained as follows:

Index number for financial year 2008–09 (on base 2003–04 = 100.0) is 121.775

Index number for financial year 2008–09 (on base 2008–09 = 100.0) is 100.0

Conversion factor =  $121.775/100 = 1.2178$

The factor may be multiplied by any *total hourly rates of pay excluding bonuses index* number for Australia on the new reference base to give the corresponding number on the old reference base. As mentioned above, the industry price index series in previous issues should not be converted due to the use of two different industry classifications.

Conversion factors for most of the published *total hourly rates of pay excluding bonuses indexes* are provided in table A2. Additional factors can be obtained using the formulas above or by contacting Kathryn Parlor on Perth (08) 9360 5151.

## APPENDIX 2 RE-REFERENCING THE WAGE PRICE INDEX *continued*

### CONVERSION FACTORS

#### **A2** FACTORS USED TO CONVERT INDEX NUMBERS, from old reference base (2003–04 financial year = 100.0)— to new reference base (2008–09 financial year = 100.0)

	Private	Public	All sectors
<b>Australia</b>	<b>0.8242</b>	<b>0.8122</b>	<b>0.8212</b>
Sector by State/Territory			
New South Wales	0.8349	0.8119	0.8292
Victoria	0.8294	0.8259	0.8285
Queensland	0.8155	0.8055	0.8128
South Australia	0.8294	0.8071	0.8234
Western Australia	0.7842	0.8013	0.7880
Tasmania	0.8236	0.8021	0.8165
Northern Territory	0.8120	0.8300	0.8195
Australian Capital Territory	0.8302	0.8105	0.8173
Sector by Industry(a)			
Mining	0.7720	..	0.7720
Manufacturing	0.8263	..	0.8248
Electricity, gas, water and waste services	0.8073	0.7940	0.7988
Construction	0.7885	..	0.7895
Wholesale trade	0.8328	..	0.8328
Retail trade	0.8395	..	0.8393
Accommodation and food services	0.8660	..	0.8660
Transport, postal and warehousing	0.8270	..	0.8255
Information media and telecommunications	0.8493	..	0.8455
Financial and insurance services	0.8213	..	0.8195
Rental, hiring and real estate services	0.8393	..	0.8358
Professional, scientific and technical services	0.8058	0.8180	0.8068
Administrative and support services	0.8395	..	0.8395
Public administration and safety	0.8303	0.8110	0.8118
Education and training	0.8030	0.8043	0.8045
Health care and social assistance	0.8208	0.8200	0.8203
Arts and recreation services	0.8353	..	0.8358
Other services	0.8365	..	0.8365

.. not applicable

(a) Classified according to the *Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006* (cat. no. 1292.0)

### APPENDIX 3 SUMMARY OF NON-WAGE AND LABOUR PRICE INDEXES

#### NON-WAGE AND LABOUR PRICE INDEXES

#### **A3** NON-WAGE AND LABOUR PRICE INDEXES(a), Sector

	INDEX NUMBERS(b)				CHANGE FROM PREVIOUS FINANCIAL YEAR (%)		
	2006-07	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
ANNUAL AND PUBLIC HOLIDAY LEAVE							
Private	95.1	100.5	100.0	105.9	5.7	-0.5	5.9
Public	93.9	99.3	100.0	106.9	5.8	0.7	6.9
All sectors	94.7	100.3	100.0	106.2	5.9	-0.3	6.2
SUPERANNUATION							
Private	92.2	96.4	100.0	103.1	4.6	3.7	3.1
Public	92.3	96.4	100.0	104.5	4.4	3.7	4.5
All sectors	92.3	96.4	100.0	103.4	4.4	3.7	3.4
PAYROLL TAX							
Private	93.8	98.0	100.0	101.1	4.5	2.0	1.1
Public	94.6	98.0	100.0	103.0	3.6	2.0	3.0
All sectors	94.0	98.0	100.0	101.5	4.3	2.0	1.5
WORKERS' COMPENSATION							
Private	106.1	101.1	100.0	104.4	-4.7	-1.1	4.4
Public	105.7	100.5	100.0	105.5	-4.9	-0.5	5.5
All sectors	106.0	101.0	100.0	104.6	-4.7	-1.0	4.6
LABOUR PRICE INDEX EXCLUDING BONUSES							
Private	92.8	96.6	100.0	103.0	4.1	3.5	3.0
Public	92.7	96.4	100.0	104.5	4.0	3.7	4.5
All sectors	92.8	96.6	100.0	103.4	4.1	3.5	3.4

(a) Refer to paragraphs 16-20 of Explanatory Notes for a description of the indexes.

(b) Reference base of each index: 2008-09 = 100.0

## GLOSSARY

<b>Annual and public holiday leave index</b>	Measures changes in the price of annual and public holiday leave (see Explanatory Notes paragraph 16).
<b>Bonuses</b>	Payments made to a job occupant that are in addition to regular wages and salaries and which generally relate to the job occupant's, or the organisation's, performance. In the LPI, the term 'bonuses' refers to bonuses and commissions.
<b>Elementary aggregates</b>	The finest aggregations of jobs, in terms of state/territory, sector and industry group, for which expenditure weights are available.
<b>Employee job</b>	A job for which the occupant receives remuneration in wages, salary, payment in kind, or piece rates.
<b>Employer</b>	Organisation with one or more employees.
<b>Expenditure weights</b>	A measure of the relative importance of each elementary aggregate, based on employers' total expenditure on the LPI component being considered (e.g. wages and salaries, superannuation, etc.). Expenditure weights are used to combine elementary aggregate indexes into broader level indexes.
<b>Index number</b>	Measures the ratio of the price of labour between the commencement of the index series and a later period.
<b>Industry</b>	Classified according to the <i>Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006</i> (cat. no. 1292.0).
<b>Labour price index</b>	Measures changes in the price of labour. Includes wages and salaries, overtime, bonuses (only in the labour price including bonuses index), annual and public holiday leave, superannuation, payroll tax and workers' compensation (see Explanatory Notes paragraph 20).
<b>Ordinary time hourly rates of pay index</b>	Measures quarterly change in ordinary time hourly rates of pay (see Explanatory Notes paragraphs 10 and 11).
<b>Ordinary time hours</b>	Award, standard or agreed hours of work paid for at the ordinary rate.
<b>Overtime hours</b>	The number of hours paid for in excess of ordinary time hours.
<b>Payroll tax index</b>	Measures changes in the price of payroll tax (see Explanatory Notes paragraph 18).
<b>Reference base period</b>	The period for which an index series is given the value of 100.0. The current reference base for the LPI is the 2008–09 financial year.
<b>Reference date</b>	The reference date for this survey is the last pay period ending on or before the third Friday of the middle month of the quarter, except for bonuses which are collected in respect to those paid during the three month period ending on the third Friday of the middle month of the quarter.
<b>Sector</b>	Public sector comprises local government authorities and all government departments and agencies created by, or reporting to, the Commonwealth, or state/territory parliaments. The private sector comprises all organisations not classified as public sector.
<b>Seasonal adjustment</b>	Process of removing systematic calendar related effects from the original series (see Explanatory Notes paragraphs 38–45, 50).
<b>Superannuation index</b>	Measures changes in the price of superannuation (see Explanatory Notes paragraph 17).
<b>Total hourly rates of pay index</b>	Measures quarterly change in combined ordinary time and overtime hourly rates of pay (see Explanatory Notes paragraph 13).
<b>Trend</b>	A measure of the underlying direction of a series (see Explanatory Notes paragraphs 46–47, 50).
<b>Wage price index</b>	Measures changes in the price of wages.
<b>Weighting base</b>	The period to which the expenditure weights relate.

## **GLOSSARY** *continued*

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**Workers' compensation index** Measures changes in the price of workers' compensation (see Explanatory Notes paragraphs 18 and 19).





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